



CITY OF HAYWARD
AGENDA REPORT

AGENDA DATE 11/23/99
AGENDA ITEM 4
WORK SESSION ITEM _____

TO: Mayor and City Council
FROM: Director of Public Works
SUBJECT: Measure D Fee Increase

RECOMMENDATION:

It is recommended that the City Council approve the attached resolution opposing any increase in Measure D fees at this time.

BACKGROUND:

This item appears on the agenda at the request of Councilmember Hilson. The Alameda County Waste Reduction and Recycling Initiative Charter Amendment ("Measure D") was approved in November 1990 by Alameda County voters. The purpose of Measure D is to raise necessary funding to enable Alameda County agencies to meet the state mandate to reduce by at least 50% the refuse landfilled in Alameda County by December 31, 2000. In addition to the state mandate of 50%, Measure D established a long-term goal to divert 75% of the refuse landfilled by 2010. Measure D requires that a \$6 per ton disposal surcharge be imposed at the Altamont and Vasco Road Landfills in order to provide the necessary funds. Measure D requires that the funds collected as a result of the surcharge be used to design and implement municipal recycling programs for residents and businesses. No surcharge is collected at the Tri-Cities Landfill site, since it is within the incorporated city limits of Fremont. Instead, the cities of Fremont, Newark and Union City imposed the equivalent of a \$6 per ton charge on their local collection franchises.

DISCUSSION:

Measure D created a Source Reduction and Recycling Board (Recycling Board) consisting of eleven members, all of who are appointed by the Alameda County Waste Management Authority or the Alameda County Board of Supervisors. Six of the Recycling Board members represent specific areas of expertise within the waste management field while the balance are elected public officials. Measure D authorizes the Recycling Board to recommend to the Board of Supervisors that the Board adjust the surcharge amount in accordance with changes in the Consumer Price Index (CPI) for future years or even retroactively. However, no such adjustments have been

made to date. As diversion in the County has increased and the amount of refuse that is landfilled has decreased, there has been a corresponding reduction in the amount of Measure D fees generated. Over the past several months, the Recycling Board members have discussed whether to recommend to the Board of Supervisors a CPI increase for possible implementation in the year 2000, but have not yet recommended a CPI increase to the Board of Supervisors.

Prior to the current discussions regarding a CPI increase, the Recycling Board had discussed a retroactive CPI increase of 24% in the Measure D fee to account for inflation for the past eight years. However, such an increase has been opposed by a majority of the Recycling Board members, and no jurisdiction or sanitation district has stated support for a retroactive increase.

The most recent discussions by the Recycling Board indicate that an annual cost of living increase may be requested from the Board of Supervisors as part of its annual Recycling Plan budget. That Plan would include a description of what was accomplished in the past year, what projects are scheduled for the upcoming year and how much the Recycling Board expects revenues to decrease due to current diversion efforts.

When voters approved the Measure D fee in 1990, the amount was not based on a defined cost of any service or product. It was a fee to generate certain revenue that was thought to be necessary for implementation of loosely defined services to accomplish the recycling and diversion mandates of Measure D. Different jurisdictions used the money in quite different ways: from using it to do public education and sponsor occasional recycling events and programs, to using it to subsidize residential and commercial recycling programs. So while some jurisdictions, including Hayward, have saved some of their share of Measure D funds and kept it for future appropriate use, others may have used up their share and are in need of more.

If a CPI increase is approved for next year, residential refuse rates could increase approximately \$0.40 per household annually in this City. This estimate assumes a 3% CPI. Some agencies have officially opposed any CPI increase in the \$6 per ton Measure D fee. Oakland is considering support for a CPI increase because Measure D funds are, in part, used to subsidize recycling service charges. Some other agencies that use Measure D funds in similar ways to some extent include Dublin, the Castro Valley Sanitary District and the Oro Loma Sanitary District. The City of Hayward, by contrast, does not subsidize the cost for residential recycling services, and has sufficient Measure D funds for anticipated programs and services for the foreseeable future. It is therefore recommended that Hayward oppose an increase in this fee.

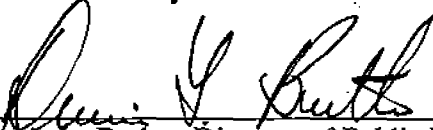
A survey of staff from each of the other affected jurisdictions indicates that some of the others may make a decision to support or oppose the proposal after the Recycling Board has decided to make a recommendation to the Board of Supervisors.

Prepared by:



Alex Ameri, Deputy Director of Public Works/Utilities

Recommended by:



Dennis L. Butler, Director of Public Works

Approved by:



Jesús Armas, City Manager

DRAFT

BM 11-17-99

HAYWARD CITY COUNCIL

RESOLUTION NO. _____

Introduced by Council Member _____

RESOLUTION OPPOSING ANY INCREASE IN MEASURE D
FEES

BE IT RESOLVED, that the City Council of the City of Hayward hereby opposes any increase in fees authorized by Measure D to be implemented in the year 2000, that may be recommended to the Board of Supervisors by the Source Reduction and Recycling Board.

IN COUNCIL, HAYWARD, CALIFORNIA _____, 1999

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST: _____
City Clerk of the City of Hayward

APPROVED AS TO FORM:

City Attorney of the City of Hayward